

STATE OF SOUTH CAROLINA

(Caption of Case)

In Re: Petition of South Carolina Electric & Gas
Company for Update for Updates and Revisions to
Schedules Related to the Construction of a
Nuclear Base Load Generation Facility at
Jenkinsville, South Carolina

226838
226839
BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2010 - 376 - E

(Please type or print)

Submitted by: Belton T. Zeigler

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: Filing: Petition for Updates and Revisions to Schedules

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input checked="" type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	



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November 15, 2010

VIA HAND DELIVERY

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Petition of South Carolina Electric & Gas Company for Updates and Revisions
to Schedules Related to the Construction of a Nuclear Base Load Generation
Facility at Jenkinsville, South Carolina
Docket No. 2010-376-E

Dear Ms. Boyd:

South Carolina Electric & Gas Company ("SCE&G" or "Company"), pursuant to S.C. Code Ann. § 58-33-270(E) (Supp. 2009) petitions the Public Service Commission of South Carolina (the "Commission") for an order approving an updated capital cost schedule for the construction of two 1,117 net megawatt nuclear units (the "Units") to be located at the V. C. Summer Nuclear Station site near Jenkinsville, South Carolina. SCE&G is also petitioning the Commission to enter a confidentiality order protecting certain commercially sensitive information from disclosure, as set forth below.

As you are aware, on August 9, 2010, the South Carolina Supreme Court (the "Supreme Court") issued its opinion in the matter of South Carolina Energy Users Comm. v. South Carolina Pub. Serv. Comm'n, Op. No. 26856 (S.C. Sup. Ct. filed August 9, 2010) (Shearouse Adv. Sh. No. 31 at 117) (the "Opinion"). This case involved an appeal of the Public Service Commission of South Carolina's Order No. 2009-104(A) on the issue of whether the Base Load Review Act authorized the Commission to approve capital cost contingencies in the capital costs estimates for the Units. In that Opinion, the Court ruled that Contingency costs which had not been itemized or designated to specific cost categories were not permitted as part of approved capital cost schedules under the Base Load Review Act. The effect of this decision was to require the removal of \$438,291,000 in projected contingency costs from the capital cost schedules approved in Order No. 2009-104(A) and Order No. 2010-12. In its Opinion, the Supreme Court acknowledged that S.C. Code Ann. § 58-33-270(E) allows

SCE&G to petition the Commission to update the capital cost schedule for the Units as SCE&G identifies and itemizes specific items of cost.

In compliance with the Opinion, and in accordance with the provisions of S.C. Code Ann. § 58-33-270(E), SCE&G petitions the Commission for an order approving an updated capital cost schedule for the Units that reflects a) the removal of the contingency funds approved in Order No. 2009-104(A) and b) incorporates the specifically identified and reclassified costs as set forth in the petition.

As part of its petition, SCE&G is filing as an exhibit a redacted and unredacted copy of its restated and updated construction expenditures. Therefore, SCE&G is filing both a Public Version and a Confidential Version of its Request. In both versions the Company's restated and updated construction expenditures is designated as Exhibit 1. The Confidential Version Exhibit 1 of the filing contains confidential information related to the pricing and pricing terms of the Engineering, Procurement and Construction Agreement ("EPC Contract") between SCE&G and a consortium consisting of Westinghouse Electric Company, LLC and Stone & Webster, Inc. (collectively, "Contractor"). The EPC Contract contains confidentiality provisions that require SCE&G to protect proprietary information that the Contractor believes to constitute trade secrets and to be commercially sensitive. The Contractor has requested that SCE&G maintain the confidentiality of certain information contained in Exhibit 1. It is this confidential information that has been redacted from the Public Version of the exhibits.

In keeping with the Contractor's request and the terms of the EPC Contract, SCE&G respectfully requests that the Commission find that the Confidential Version of the petition contains protected information and issue a protective order barring the disclosure of Exhibit 1 of the petition under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law, except in its public form. Pursuant to 26 S.C. Code Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion. Such a ruling in this instance would be consistent with the Commission's prior rulings in Docket No. 2008-196-E and Docket No. 2009-211-E finding, among other things, the pricing and pricing terms of the EPC Contract to be confidential and issuing a protective order barring the disclosure of related information. *See* Commission Order Nos. 2008-467 and 2008-696, as amended by Order No. 2008-739, issued in Docket No. 2008-196-E; and Commission Order No. 2009-401 issued in Docket No. 2009-211-E.

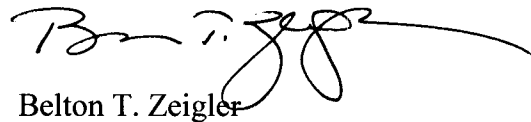
To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, enclosed with this letter and attached to the petition is as follows:

1. A true and correct copy of the Confidential Version of the Request in a sealed envelope marked "CONFIDENTIAL." Each confidential page of the Confidential Version of the Request is also marked "CONFIDENTIAL."
2. One original and ten copies of a redacted Public Version of the Request for filing and public disclosure.

SCE&G respectfully requests, in the event that anyone should seek disclosure of the unredacted Confidential Version of the above-referenced documents, that the Commission notify SCE&G of such request and provide it and the Contractor with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Confidential Version of these documents from disclosure.

If you have any questions regarding these matters, please advise.

Very truly yours,



Belton T. Zeigler

BTZ/led
Enclosures

cc: Dukes Scott
John W. Flitter
Nanette S. Edwards, Esquire
Shannon Bowyer Hudson, Esquire
(all via hand delivery w/enclosures)

Exhibit 1

RESTATED and UPDATED CONSTRUCTION EXPENDITURES

(Thousands of \$)

V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

Actual through September 2010* plus
Projected

	Actual		Projected									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Plant Cost Categories												
Fixed with No Adjustment												
Firm with Fixed Adjustment A												
Firm with Fixed Adjustment B												
Firm with Indexed Adjustment												
Actual Craft Wages												
Non-Labor Costs												
Time & Materials												
Owners Costs												
Transmission Costs												
	321,591	-	724	2,604	5,532	7,775	12,095	29,822	35,236	43,035	73,678	111,064
Total Base Project Costs(2007 \$)	21,723	97,386	319,073	444,234	415,731	679,423	633,789	487,059	457,153	303,697	196,686	214,435
Total Project Escalation	-	3,519	20,930	30,363	61,535	152,883	193,691	184,263	199,753	160,816	114,024	143,540
Total Revised Project Cash Flow	21,723	100,905	340,003	474,597	477,265	832,306	827,479	671,323	656,906	464,514	310,711	357,975
Cumulative Project Cash Flow(Revised)	21,723	122,629	462,632	937,229	1,414,495	2,246,801	3,074,280	3,745,603	4,402,509	4,867,023	5,177,734	5,535,708
AFUDC(Capitalized Interest)	302,775	645	3,497	19,858	31,541	38,987	49,316	45,799	37,758	21,427	21,579	21,804
Gross Construction	5,838,483	22,368	104,403	494,456	508,806	871,293	876,795	717,122	694,665	485,941	332,289	379,779
Construction Work in Progress	22,368	126,771	477,338	971,794	1,480,600	2,351,893	3,228,688	3,945,810	4,640,474	5,126,415	5,458,704	5,838,483

*Applicable index escalation rates for 2010 are estimated. Escalation is subject to restatement when actual indices for 2010 are final.

Notes:

Current Period AFUDC rate applied

7.10%

Escalation rates vary from reporting period to reporting period according to the terms of Commission Order 2009-104(A). These projections reflect current escalation rates. Future changes in escalation rates could substantially change these projections. The AFUDC rate applied is the current SCE&G rate. AFUDC rates can vary with changes in market interest rates, SCE&G's embedded cost of capital, capitalization ratios, construction work in process, and SCE&G's short-term debt outstanding.